

Economists Unincorporated Business Tax Exemption

The State Tax Commission has determined that an economist may be considered as a professional and may qualify to be exempt from the Unincorporated Business Tax pursuant to section 703(c) of the New York State Tax Law and 20NYCRR 203.11(b)(1).

The Professional Exemption from Unincorporated Business Tax may be claimed by an economist with respect to fees received as a result of providing consultant services to a governmental entity, provided that more than eighty percent of the fees are received for personal services and capital is not a material income producing factor. Fees received as a result of providing services as an economist to any other organization remain subject to the Unincorporated Business Tax.

The basis for this decision is that an economist who renders consultant services to a governmental entity is not considered to be dealing with the conduct of business itself, but is considered to be applying a professed knowledge in advising and guiding the affairs of others.